



**AN EMPIRICAL ANALYSIS BETWEEN BANK ISLAM  
MALAYSIA BERHAD (ISLAMIC BANKING) AND  
PUBLIC BANK (CONVENTIONAL BANKING)**

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**JANUARY 2013**



**BACHELOR OF BUSINESS ADMINISTRATION (HONS) FINANCE**

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**“DECLARATION OF ORIGINAL WORK”**

**I, AINA SYAKIRA JAMALUDDIN (I/C Number: 901106-05-5666)**

Hereby, declare that,

- This work has not previously been accepted in substance for any degree, locally or overseas and is not being concurrently submitted for this degree or any other degrees.
- This project paper is the result of my independent work and investigation, except where otherwise stated.
- All verbatim extracts have been distinguished by quotation marks and sources of my information have been specifically acknowledged.

Signature: \_\_\_\_\_

Date: 3<sup>rd</sup> January 2013

## LETTER OF SUBMISSION

3<sup>rd</sup> January 2013

The Head of Program

Bachelor of Business Administration (Hons) Finance

Faculty of Business Management

Universiti Teknologi Mara (UiTM)

Bandaraya Melaka

Dear Sir / Madam,

### SUBMISSION OF PROJECT PAPER

Attached is the project paper titled “**AN EMPIRICAL ANALYSIS BETWEEN BANK ISLAM MALAYSIA BERHD (ISLAMIC BANKING) AND PUBLIC BANK BERHAD (CONVENTIONAL BANKING)**” to fulfill the requirement as needed by the Faculty of Business Management, University Teknologi Mara (UiTM)

Thank you.

Yours Sincerely,

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## **ABSTRACT**

Malaysia banking sector has the largest assets of both Islamic and conventional banking. Conventional and Islamic banks are operating side by side in the market. However, the rapid growth of Islamic banking system in Malaysia creates intensive competitions in the industry. Each bank tries to be more financially feasible than others by increasing activities and innovating some products to gain higher market share. Therefore, there is an urgent need to make comprehensive analysis of Malaysia banks performance, since there have been limited studies on the financial performance of Islamic bank and conventional banks in the country. The aim of this paper is to evaluate and analyses the impact of bank specific as well as macroeconomic determinant on the profitability of Malaysia Islamic banking which represented by Bank Islam Malaysia Berhad (BIMB) compare with conventional banking which is Public Bank Berhad. The research applied the performance evaluation of both banking segment that covers 5 year period range from 2007-2011. However, this paper used the performance evaluation methodology by conducting the probability, liquidity and leverage ratio tests. For completion of this report, secondary data and other approaches has been used as data collection. This data are taken from internal sources such as Annual Financial Report of both banks and external sources such as journal, books and internet. The result imply that